Ministry of Food Processing Industries (MFPI) has been providing financial assistance in the form of grant-in-aid for Technology Upgradation/Establishment/Modernization of food processing industries upto 25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50 lakh in general areas and upto 33.33% in difficult areas subject to a maximum of 75 lakh to various implementing agencies for the overall development of Food Processing Sector.

Under the scheme of Promotional Activities, the Ministry has a provision to make need-based financial support available for survey/studies to be done by State Governments for development of food processing sector in their respective state.

Reduction in VAT on raw materials for biscuit manufacturing

3545. SHRI AMAR SINGH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government is aware that the prices of raw materials required for biscuit manufacturing like edible oils, Maida and sugar have been gone up consequent upon presentation of the Budget 2008-09 and if so, the details thereof;

(b) whether it is a fact that biscuit manufacturers have demanded a reduction in VAT, so that the prices of biscuits do not become a burden on the common people; and

(c) if so, the details thereof and the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) Prices of commodities are generally governed by market forces of demand & supply. Prices of commodities across the board have witnessed an upward trend in recent months incuding raw materials required for biscuit manufacturing. This is mainly because of the rising demand on account of rising population, increase in purchasing powers & consequential changes in consumption pattern. Seasonal factors & hardening of international prices have also contributed to the same. The Government is concerned with the price rises and is trying its best to contain it.

(b) and (c) The Federation of Biscuits Manufacturers have demanded for a reduction of VAT on Biscuits from 12.5% to 4%. The matter has been taken up with the Empowered Committee on VAT.

Development of mega food parks

3546. MS. MABEL REBELLO: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government proposes to develop mega food parks in the country;

(b) if so, the details thereof, *inter-alia* indicating the locations where such parks would be set up in Orissa and Jharkhand;

(c) whether it would be a centrally funded project or under PPP mode; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) Ministry of Food Processing Industries (MFPI)

has developed a scheme for providing financial assistance for establishment of Mega Food Parks, which envisages a well-defined agri/horticultural-processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. The scheme aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. The primary objective of the scheme is to facilitate establishment of an integrated value chain, with processing at the core and supported by requisite backward and forward linkages. The ownership and management of the Mega Food Park would vest with a Special Purpose Vehicle (SPV) in which organized retailers, processors, service providers, farmers etc. may be the equity holders or there may be an anchor investor along with its ancillaries, associated companies and others stakeholders. The government agencies may also be shareholders in SPV upto a maximum of 49%.

The scheme is project oriented. The locations of the Mega Food Parks have to be selected on a demand driven, cluster-based approach with delineated supply chain and well supported by pre-feasibility studies. Mega Food Parks can be established for any sector on need and viability basis such as fruit and vegetables, dairy, meat and poultry etc. or it can also have a combination of fruits and vegetables, dairy, meat and poultry etc. the decision on which will be taken by the Special Purpose Vehicle (SPV).

The scheme intends to incentivise the private sector investment in creating food processing infrastructure in a big way. Accordingly, the Scheme envisages financial assistance in the form of grant-in-aid upto 50% of the project cost in general areas and upto 75% of the project cost in special category states subject to a maximum of Rs. 50.00 crores or the cost of approved facilities, whichever is lower, for all implementing agencies including private sector. The scheme provides for establishment of 30 Mega Food Parks with MFPI financial assistance of Rs. 1500 crores during the 11th Five Year Plan.

Approval for food parks

3547. SHRI C. RAMACHANDRAIAH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Government has approved 53 food parks recently to enable small and medium units to use common facilities which are capital intensive, such as cold storages, warehouses, control labs, effluent treatment plants, etc.;

(b) if so, whether any parks have been earmarked to be set up in Andhra Pradesh;

(c) if so, how many parks would come up and where;

(d) if not, the reasons for not setting up such parks in that State; and

(e) the details of common facilities proposed to be set up in these parks?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (*SHRI SUBODH KANT SAHAY*): (a) to (e) Ministry of Food Processing Industries (MFPI) has been providing financial assistance for establishment of Food Parks during 8th, 9th and 10th Plan period as per scheme guidelines. The scheme of Food Park was project oriented and financial assistance was extended for creation of common facilities such as power supply, water supply, cold storage, warehousing facilities, effluent treatment plant, food